

NOVEMBER 15, 2022

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, NOVEMBER 15, 2022, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Hector Hinojosa, Commissioner
Ann Marie Torres, Commissioner
Norma N. Alvarez, Commissioner

CITY COMMISSION ABSENT:

Edna Lopez, Commissioner

CITY STAFF PRESENT:

Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Charlie Sosa, Purchasing Manager
Bill Donnell, Public Works Director
Diana Gonzales, Human Resources Director
Rudy Mora, Engineer
Kobby Agyekum, Senior Planner/HPO
Uche Echeozo, Director of Planning & Development Services
Michael Mora, Capital Improvements Manager
Frank Garcia, Wastewater Superintendent

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 P.M. with four Commission members present. Commissioner Lopez was absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Ms. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S)

None.

II. Public Hearing - (Required by Law).¹

None.

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Ms. Courtney Alvarez, City Attorney reported that the next regular commission meeting is scheduled for November 28th with agenda item deadline for this meeting is November 16, 2022. She further reported that city offices will be closed beginning at noon on November 23rd and all day on November 24th and November 25, 2022, for the Thanksgiving Holiday. Ms. Alvarez stated that Mr. Mark McLaughlin, City Manager was unable to attend this meeting due to a scheduled meeting out of town.

IV. Public Comment on Agenda Items.³

1. Comments on all agenda and non-agenda items.

No public comments made.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

Motion made by Commissioner Hinojosa to approve the consent agenda as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Torres, Alvarez, Hinojosa, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for the Police Collective Bargaining Agreement. (Human Resources Director).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate additional funding for cost overruns in the Human Resources Department. (Human Resources Director).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to rollover uncompleted committed GF ARP Projects. (Finance Director).

4. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to accept and expend a donation from Keep Kingsville Beautiful for the Trash Off Event. (Director of Planning & Development Services).

5. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to accept and expend donations for the Parks Department Healthy Family Events. (Parks Director).

6. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to accept and expend grant funds from the Justice Assistance Grant Program (JAG). (Police Chief).

7. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for emergency repairs to a 24" storm drain. (Public Works Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. **Items for consideration by Commissioners.⁴**

8. Review and discuss Wastewater Treatment Plant Performance Evaluation from Garver. (City Engineer).

Mr. Richard Correa of Garver gave an update to the Commission on the Wastewater Treatment Plant Performance Evaluation. Both wastewater treatment plants have been looked at and the anticipated growth within the city for the foreseeable future. The evaluation of both plants has been preformed to see what it would take to fix them from regulatory standpoints to growth standpoints. Mr. Correa stated that there will be a few individuals joining in during this presentation. He stated that during tonight's presentation, the discussion of the following will take place, funding alternatives, Kingsville North and South WWTPs Overview, project prioritization, and project packaging. Mr. Correa stated that the first item that will be discussed is Funding Alternatives which will be presented by Ms. Kirby Young who is on virtually.

Ms. Kirby Young, who is on virtually, stated that she will be speaking about funding alternatives. The WIFIA, CWSRF, and DFund Programs could provide supplemental funding for Kingsville. The WIFIA Programs is water infrastructure finance and Innovation Act Program which is administered through the Environmental Protection Agency. The Texas Water Development Board has the Clean Water State Revolving Fund and Texas Water Development Fund. The WIFIA Program is offered nationwide and has a number of important program features 49% of eligible project costs that WIFIA can fund with an additional funding source for the remaining 51%. Minimum project size for large

communities is \$20 million, total project cost. Maximum deferral period after substantial completion is 5 years. Interest rate will be greater or equal to U.S. Treasury rate of a similar maturity and will not be affected by borrower's rating. Interest accrual only upon drawdown and maximum loan maturity date of 35 years after substantial completion. The WIFIA Program is offered nationwide and has a number of important program features. It can be combined with tax-exempt bonds, private equity, or SRFs. Applicant and credit processing fees that are not percentages of total loan. You can match your funding to your debt service and can also customize repayment schedules and can be subservient to other loans. Any WIFIA projects that initiated project design planning prior to May 14, 2022, are exempt from Build America, Buy America requirements. CWSRF has funds that can be used for the planning, design, acquisitions, and construction of wastewater projects. Eligible projects are wastewater treatment facilities, wastewater recycling and reuse facilities, nonpotable reuse, wastewater collection systems, existing wastewater facilities, stormwater control and nonpoint source pollution control projects. Program requirements and benefits are as follows; required adoption of a Water Conservation and Drought Contingency Plan; Davis-Bacon wage requirements, American Iron and Steel, NEPA-type environmental review; DBE Program and additional procurement requirements; potential principal forgiveness; below market fixed interest rates; up to 30-year repayment period and access to year-round funding; and loan origination fee. Ms. Young further spoke about the DFund Program. The DFund is a year-round program with a flexible structure and fewer requirements. Eligible projects are water supply, conservation, water quality enhancement, flood control, and wastewater. The program requirement and benefits are required adoption of a Water Conservation and Drought Contingency Plan, U.S. Iron and Steel requirements, no maximum funding limits, long-term fixed interest rates based on the TWDB's cost of funds sold with the State's General Obligation AAA rating, 20-to-30-year repayment terms; maximum of 50 years constitutionally, multi-year commitments and access to loan funding year-round, and state-level environmental review. The majority of the BII/IJA funding will be funneled through the SRF Programs. Funding category is CWSRF Supplemental 2022 Texas Allocation is \$81.3 million with total nationwide allocation through 2026 of \$11.7 million and mandated additional subsidy of 49%. The CWSRF is the main source for potential principal forgiveness opportunities. Submitting PIFs can maximize opportunities for principal forgiveness. Recommended annual CWSRF PIF submission each year. Supplemental BII/IJA funding will be available through 2026. Projects included in a PIF can be updated if priorities shift. Opportunities for disadvantaged communities, up to 70% of eligible project costs; currently \$10 million maximum principal forgiveness per year per entity. Can submit a PIF that would maximize potential principal forgiveness. Potential funding strategies to consider for 2023 projects. Utilization of available funds from the City's annual current budget. The earliest that TWDB funding could be awarded is 2024. Alternative funding sources, such as bonds, could also be explored. WIFIA has a minimum project size of \$20 million for larger communities. Strategically create a WIFIA package and submit a Letter of Interest (LOI). Utilize funds from annual budget as WIFIA match over the life of the project. WIFIA prioritizes projects for disadvantaged communities. CWSRF funding can be utilized as a match as well if the city is selected.

A second representative from Garver gave the presentation on the overview of the Kingsville North and South Wastewater Treatment Plants. The City of Kingsville owns and operates two wastewater treatment plants. The North Wastewater Treatment Plant has a permitted capacity of 3.0 MGD and the South Wastewater Treatment Plant has a permitted capacity of 1.0 MGD. Both plants are package plants and built around the same time and have gone through upgrades about the same time as well. She further stated that the headworks is at the head of the plants and includes screens and degritting, which separate inorganics out before biological treatment.

At this time audio was lost for about 3 minutes, due to microphone located at podium being turned off. Presentation continues.

Aeration basins are where biological treatment occurs. Air is pumped into the basins allowing microbial growth which bio-degrades organic material. Final clarification occurs after biological treatment. Mixed liquor suspended solids settles to the bottom and is removed. Disinfection occurs after clarification. Ultraviolet light destroys the abilities of viruses, bacteria, and protozoa to replicate. Return activated sludge and waste activated sludge control the MLSS. Aerated sludge holding tanks store was from clarification prior to dewatering. They are aerated to prevent septicity. Sludge drying beds allow sludge to dewater and dry, which occurs through evaporation and gravity drainage. South Wastewater Treatment Plant also has a centrifuge to keep up with the amount of WAS produced. Project prioritization, assuming funding is secured, the identified improvements can be packaged to address urgent needs first and begin SWWTP expansion construction by 2027. Garver structural, process, and electrical engineers visited both WWTPs to assess facility conditions based on LOF and COF. Garver structural, process, and electrical engineers visited both WWTPs to assess facility conditions based on LOF and COF. Garver and city staff assigned project priorities using condition assessment findings and a weighted scoring procedure. South Wastewater Treatment Plant expansion construction should start by 90% TCEQ trigger in 2027.

Mayor Fugate asked if commission could ask questions during the presentation. Mr. Correa responded yes.

Commissioner Alvarez asked who decided on 2027 as she feels it would be late?

Mr. Correa responded that it is based on a percent capacity on the connections. The growth rate was evaluated that Kingsville is set to experience and with triggers at TCEQ on how you should plan for design and expansions for wastewater facilities. These are hard and fast rules, 75% once that capacity has been reached you will need to start planning and at 90% you have to be in construction. So, the 2027 threshold is based on TCEQ rules on when you need to be in planning or constructing plant expansions for wastewater.

Mayor Fugate commented that there is a problem. The basis for the study and the criteria for growth in Kingsville is not correct. He further commented that this can not wait until 2027 to redo the South Plant. The study needs to be based on Kingsville doubling in size in the next five years.

Mr. Correa stated that this was based on historical growth.

Mayor Fugate commented that he understands this, but there is something out there that he cannot mention that will be happening that will change Kingsville dramatically. This is something that Garver was not aware of, so it's not their fault, but it is something that came up recently and it will change the community dramatically.

Mr. Correa stated that this was based on historical growth and information that was available at that time.

Mayor Fugate commented that there will be some announcements sometime in December that will make people aware of what he is talking about. These studies will have to be revisited at a later time.

Commissioner Alvarez asked if Kingsville is considered a large community?

Mr. Correa asked Ms. Young, who is participating online, if she could hear the question Commissioner Alvarez asked regarding whether or not Kingsville is considered a larger community.

Ms. Young stated that the specifically for the WIFIA Program they have defined the difference between large and small as for population over 25,000. According to the last ACX Data that the TWDB was using, Kingsville was right over that limit. However, if the city has updated population data that could be provided to WIFIA it can easily be classified as a small community. As for the Water Development Board they define a small community as less than 10,000 in population.

Mr. Correa asked Ms. Young if Kingsville falls under a disadvantage community? Ms. Young responded yes.

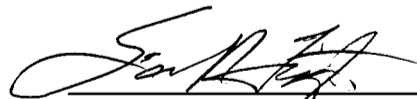
Commissioner Torres asked that the discussion is for 2027 and it being needed before, can the city apply for these grants in order to speed up the process?

Mr. Correa responded that there is nothing stopping the City of Kingsville from applying for grants.

At this time, Mayor Fugate stopped the meeting due to technical difficulties and further stated that representatives from Garver that will be making this presentation to the city should be present at the meeting. He also stated that the City Manager needs to update Garver on what is going on in Kingsville as he can speak about what's coming up. Fugate stated that there is something coming to Kingsville that will change everything that is being done now.

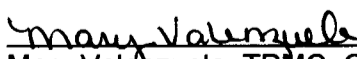
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 4:58 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, CMC, City Secretary